



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-041]

Truck and Bus Tires from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review, Rescission of Review in Part, and Intent to Rescind in Part; 2020

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that certain exporters/producers of truck and bus tires from the People's Republic of China (China) received countervailable subsidies during the period of review (POR) from January 1, 2020, through December 31, 2020. In addition, we are rescinding the review with respect to seven companies and announcing our preliminary intent to rescind this review with respect to eight other companies. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Brontee Jeffries or Theodore Pearson, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4656 or (202) 482-2631, respectively.

SUPPLEMENTARY INFORMATION:

Background

On April 1, 2021, Commerce published the notice of initiation of an administrative review of the countervailing duty (CVD) order on truck and bus tires from China.¹ On October

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 86 FR 17135 (April 1, 2021).

1, 2021, Commerce exercised its discretion to extend the preliminary results of this administrative review by 120 days, until February 25, 2022.²

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.³ A list of topics discussed in the Preliminary Decision Memorandum is included as the appendix to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Order

The products covered by the order are truck and bus tires. For a complete description of the scope, *see* the Preliminary Decision Memorandum.⁴

Methodology

Commerce is conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each subsidy program found countervailable, we preliminarily find that there is a subsidy, (*i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific).⁵ For a full description of the methodology underlying our conclusions, including our reliance, in part, on adverse facts available pursuant to sections 776(a) and (b) of the Act, *see* the Preliminary Decision Memorandum.

Rescission of Administrative Review, in Part

² *See* Memorandum, "Truck and Bus Tires from the People's Republic of China: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 2020," dated October 1, 2021.

³ *See* Memorandum, "Decision Memorandum for the Preliminary Results of 2020 Countervailing Duty Administrative Review: Truck and Bus Tires from the People's Republic of China and Rescission of Administrative Review, in Part," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ *See* Preliminary Decision Memorandum.

⁵ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation. Commerce received timely-filed withdrawal requests with respect to the following seven companies: Double Coin Tyre Group (Shanghai) Imp & Exp Co., Ltd.; Giti Tire (Fujian) Company Ltd.; Giti Tire (Anhui) Company Ltd.; Giti Tire Global Trading Pte. Ltd.; Shandong Hugerubber Co., Ltd.; Shanghai Huayi Group Corporation Limited; and Weifang Shunfuchang Rubber And Plastic Products Co., Ltd., pursuant to 19 CFR 351.213(d)(1).⁶ Because the withdrawal requests were timely filed, and no other parties requested a review of these companies, in accordance with 19 CFR 351.213(d)(1), Commerce is rescinding this review of the Order with respect to the seven companies noted above.

Intent to Rescind Administrative Review, in Part

It is Commerce's practice to rescind an administrative review of a countervailing duty order, pursuant to 19 CFR 351.213(d)(3), when there are no reviewable entries of subject merchandise during the POR for which liquidation is suspended.⁷ Normally, upon completion of an administrative review, the suspended entries are liquidated at the countervailing duty assessment rate calculated for the review period.⁸ Therefore, for an administrative review of a company to be conducted, there must be a reviewable, suspended entry that Commerce can instruct U.S. Customs and Border Protection (CBP) to liquidate at the calculated countervailing duty assessment rate calculated for the review period.⁹ According to the CBP import data, there are eight companies subject to this review that did not have reviewable entries of subject merchandise during the POR for which liquidation is suspended. Accordingly, in the absence of

⁶ See Shandong and Weifang's Letter, "Truck and Bus Tires from the People's Republic of China – Withdrawal of Request for Administrative Review", dated June 30, 2021.

⁷ See, e.g., *Lightweight Thermal Paper from the People's Republic of China: Notice of Rescission of Countervailing Duty Administrative Review; 2015*, 82 FR 14349 (March 20, 2017); and *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Rescission of Countervailing Duty Administrative Review; 2017*, 84 FR 14650 (April 11, 2019).

⁸ See 19 CFR 351.212(b)(2).

⁹ See 19 CFR 351.213(d)(3).

reviewable, suspended entries of subject merchandise during the POR, we intend to rescind this administrative review with respect to these eight other companies, in accordance with 19 CFR 351.213(d)(3).¹⁰

Preliminary Rate for Non-Selected Companies Under Review

There are eight companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent. For these companies, because the rates calculated for the mandatory respondents, Qingdao Ge Rui Da Rubber Co., Ltd. (GRT) and Prinx Chengshan (Shandong) Tire Co., Ltd. (PCT) were above *de minimis* and not based entirely on facts available, we are applying to the non-selected companies the average of the net subsidy rates calculated for GRT and PCT, which we calculated using the publicly-ranged sales data submitted by GRT and PCT.¹¹ This methodology to establish the rate for the non-selected companies uses section 705(c)(5)(A) of the Act, which governs the calculation of the “all-others” rate in an investigation, as guidance. For further information on the calculation of the non-selected respondent rate, refer to the section in the Preliminary Decision Memorandum entitled “Non-Selected Companies Under Review.”

Preliminary Results of Review

We preliminarily find the following net countervailable subsidy rates for the period January 1, 2020, through December 31, 2020, are as follows:

Manufacturer/Exporter	Subsidy Rate (percent <i>ad valorem</i>)
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¹⁰ The eight companies are: Chongqing Hankook Tire Co., Ltd.; Guangrao Kaichi Trading Co., Ltd.; Qingdao Fullrun Tyre Corp. Ltd.; Qingdao Honghuasheng Trade Co., Ltd.; Qingdao Kapsen Trade Co., Ltd.; Qingdao Sunfulcess Tyre Co., Ltd.; Shandong Habilead Rubber Co., Ltd.; and Shandong Qilun Rubber Co., Ltd.

¹¹ With two respondents under examination, Commerce normally calculates (A) a weighted-average of the estimated subsidy rates calculated for the examined respondents; (B) a simple average of the estimated subsidy rates calculated for the examined respondents; and (C) a weighted-average of the estimated subsidy rates calculated for the examined respondents using each company’s publicly-ranged U.S. sale quantities for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters. *See, e.g., Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010).

Prinx Chengshan (Shandong) Tire Company Ltd. ¹²	17.85
Qingdao Ge Rui Da Tire Company ¹³	17.15
Review-Specific Average Rate Applicable to the Following Companies¹⁴	
Jiangsu General Science Technology Co., Ltd.	17.21
Jiangsu Hankook Tire Co., Ltd.	17.21
Qingdao Awesome International Trade Co., Ltd	17.21
Qingdao Doublestar Tire Industrial Co., Ltd.	17.21
Shandong Haohua Tire Co., Ltd.	17.21
Shandong Huasheng Rubber Co., Ltd	17.21
Shandong Kaixuan Rubber Co., Ltd	17.21
Triangle Tyre Co., Ltd.	17.21

Disclosure and Public Comment

We will disclose to parties in this review, the calculations performed for these preliminary results within five days after the date of publication of this notice.¹⁵ Interested parties case briefs no later than 30 days after the date of publication of these preliminary results of review.¹⁶ Rebuttals to case briefs may be filed no later than seven days after the case briefs are filed, and all rebuttal comments must be limited to comments raised in the case briefs.¹⁷

¹² As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with Prinx Chengshan (Shandong) Tire Company Ltd.: Chengshan Group Co., Ltd.; Shanghai Chengzhan Information and Technology Center; Prinx Chengshan (Qingdao) Industrial Research & Design Co., Ltd.; and Shandong Prinx Chengshan Tire Technology Research Co., Ltd.

¹³ As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with Qingdao Ge Rui Da Tire Company: Cooper Tire (China) Investment Co. Ltd.; Cooper Tire Asia-Pacific (Shanghai) Trading Co., Ltd.; Cooper (Kunshan) Tire Co., Ltd.; and Qingdao Yiyuan Investment Co., Ltd.

¹⁴ This rate is based on the rate for the respondent that was selected for individual review, excluding rates that are zero, *de minimis*, or based entirely on facts available. See section 735(c)(5)(A) of the Act.

¹⁵ See 19 CFR 351.224(b).

¹⁶ See 19 CFR 351.309(c).

¹⁷ See 19 CFR 351.309(d).

Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information until further notice.¹⁸

Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this review are encouraged to submit with each argument: (1) A statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically using ACCESS. An electronically-filed request must be received successfully, and in its entirety, by ACCESS by 5:00 p.m. Eastern Time, within 30 days after the date of publication of this notice. Hearing requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, parties will be notified of the date and time for the hearing to be determined.

Unless extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respondents listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. If the rate calculated in the final results is zero or *de*

¹⁸ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 29615 (May 18, 2020); and *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

minimis, no cash deposit will be required on shipments of the subject merchandise entered or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

For all non-reviewed firms, CBP will continue to collect cash deposits of estimated countervailing duties at the all-others rate or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Assessment Rates

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producers/exporters shown above. Upon completion of the administrative review, consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review. For the companies for which this review is rescinded, we will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2020, through December 31, 2020, in accordance with 19 CFR 351.212(c)(1)(i). For the companies remaining in the review, we intend to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Notification to Interested Parties

These preliminary results and notice are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213 and 351.221(b)(4).

Dated: February 25, 2022.

Lisa W. Wang,
Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Non-Selected Companies Under Review
- V. Partial Rescission of Administrative Review
- VI. Intent to Rescind Administrative Review, In Part
- VII. Diversification of China's Economy
- VIII. Use of Faces Otherwise Available and Application of Adverse Inferences
- IX. Subsidies Valuation
- X. Interest Rate Benchmarks, Discount Rates, Input, Electricity, and Land Benchmarks
- XI. Analysis of Programs
- XII. Recommendation

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